

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2452 - SB 2558**

February 14, 2018

**SUMMARY OF BILL:** Requires the manufacturer of a new HVAC system or major appliance that does not conform to all applicable express warranties, to repair the system at no cost to the consumer. Requires replacement of the HVAC system or major appliance if the item is unreliable or unsafe for normal operation and the system or appliance has not been fixed after three attempts or has been non-operational for thirty days during the term of protection. Establishes that a violation of this part is considered an unfair or deceptive act or practice affecting the conduct of trade or commerce pursuant to the *Tennessee Consumer Protection Act of 1977*.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The Division of Consumer Affairs can handle any increase in formal complaints, utilizing existing staff during normal work hours.
- Committing an unfair or deceptive practice under the *Consumer Protection Act of 1977* is a Class B misdemeanor offense.
- There will not be a sufficient number of Class B misdemeanor prosecutions for state or local government to experience any significant increase in fine revenue or expenditures.

**IMPACT TO COMMERCE:**

**Decrease Business Revenue – Exceeds \$146,000**

Assumptions:

- According to the U.S. Census Bureau, there are 2,919,671 housing units in Tennessee.
- It is estimated that the cost to repair an HVAC system or major appliance is at least \$100.
- It is assumed that 0.05 percent or 1,460 (2,919,671 x 0.05%) of such housing units will need these repairs each year.

- The recurring loss of business revenue as a result of providing these system and appliance repairs at no cost to the consumer is estimated to exceed \$146,000 (1,460 x \$100).
- This legislation will have no significant impact on jobs in Tennessee.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh